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10 Attorneys for Crestlloyd, LLC, the debtor and debtor-in-possession

11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13

14 In re

Chapter No.: 11

15 CRESTLLOYD, LLC,

Case No.: 2:21-bk-18205-DS

16 Debtor and Debtor-in-Possession

17 **EVIDENTIARY OBJECTIONS TO**
18 **DECLARATION OF JOSEPH ENGLANOFF**
19 **IN SUPPORT OF OBJECTION OF “YOGI**
20 **SECURITIES HOLDINGS, LLC’S MOTION**
21 **TO APPROVE THE SALE OF THE**
22 **DEBTOR’S REAL PROPERTY”**

23 Date: March 18, 2022
24 Time: 11:00 a.m.
25 Place: 255 E. Temple Street
26 Los Angeles, CA 90012
27 **VIA ZOOMGOV ONLY**
28

1 Crestlloyd, LLC (the “Debtor”), hereby files its evidentiary objections to portions of the
2 “*Declaration of Joseph Englanoff*” (the “Englanoff Declaration”) filed in support of the
3 “*Objection of Yogi Securities Holdings, LLC’s Motion to Approve the Sale of the Debtor’s Real*
4 *Property*” (the “Objection”) as follows:

5 As an initial matter, most of the statements in the Englanoff Declaration are not relevant
6 because, among other reasons, the Motion is regarding whether a proposed sale of the Debtor’s
7 Property can be sold free and clear of all liens, claims, encumbrances and interests, that the
8 Buyer is a good faith purchaser, whether the Debtor is authorized to distribute the sale proceeds
9 in order to pay certain claims. The statements regarding global events and the impact on the
10 economy, the sale bidding procedures used on other property marketed by the debtor’s agents,
11 and prior appraisals of the property are not relevant.

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| | Paragraph # (Page: Line) | Statement | Objection | |
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| 1 | ¶ 2 | “The Debtor’s Brokers informed me prior to the Auction and the Bid Procedures Hearing that a minimum bid was advisable to ensure that bidders understood at what dollar level the bids needed to come in to garner the approval of the estate’s creditors and, ultimately, the Court. I note that Concierge recently included a minimum reserve of \$50 million for another house in Bel Air (which is .2 miles away as the crow flies) that is currently listed for auction at \$87,777,777, for which it requires a minimum reserve.” | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation FRE 802 Hearsay Not Subject to Any Exception. If the Declarant is relying on what was told to him by another individual or source to support the factual allegations in the paragraph, his testimony related thereto would be inadmissible hearsay. <i>See Caddie Const. Co., Inc.</i> , 125 B.R. 674, 678 (Bankr. M.D. Fla. 1991). | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 2 | ¶ 3 | “On the day prior to the January 6, 2022, Bid Procedures Hearing, I had a three-way phone call with Yvonne Niami and Chad Roffers, CEO of Concierge Auctions. Mr. Roffers appeared to very clearly understand both Mrs. Niami’s and my objection to not having a minimum reserve for the Auction. Mrr. Roffers assured us that he was in favor of a minimum reserve. Yet | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |

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| 1 | | I found out that during a closed session that did not include Mrs. Niami or myself, Mr. Roffers advocated the exact opposite – i.e., no need for a minimum reserve.” | FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation FRE 802 Hearsay Not Subject to Any Exception. If the Declarant is relying on what was told to him by another individual or source to support the factual allegations in the paragraph, his testimony related thereto would be inadmissible hearsay. <i>See Caddie Const. Co., Inc.</i> , 125 B.R. 674, 678 (Bankr. M.D. Fla. 1991). | |
| 2 | 3 | ¶ 4 “The brokers also informed me that, during the recess of the Bid Procedures Hearing, the Brokers were advocating for a minimum reserve.” | FRE 802 Hearsay Not Subject to Any Exception. If the Declarant is relying on what was told to him by another individual or source to support the factual allegations in the paragraph, his testimony related thereto would be inadmissible hearsay. <i>See Caddie Const. Co., Inc.</i> , 125 B.R. 674, 678 (Bankr. M.D. Fla. 1991). | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 3 | 4 | ¶ 5 “On March 3, 2022, the end date for the Auction, I was informed by parties in interest (Yvonne Niami and representatives of Inferno) who were in contact with Concierge that a ”soft” gavel approach could be employed to extend the auction a few more days in effect. What this meant is that bidders were hearing whispers that the end of the Auction might not be the last time to bid for | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |

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| 1 | | the property. This representation from Concierge almost certainly caused confusion amongst potential bidders that may otherwise have been waiting until the very end of the Auction to bid – as Concierge represented is common practice.” | FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation FRE 802 Hearsay Not Subject to Any Exception. If the Declarant is relying on what was told to him by another individual or source to support the factual allegations in the paragraph, his testimony related thereto would be inadmissible hearsay. <i>See Caddie Const. Co., Inc.</i> , 125 B.R. 674, 678 (Bankr. M.D. Fla. 1991). | |
| 2 | 5 | ¶6 “I believe that it was widely expected that a number of foreign bidders would come forward for the property. However, that did not happen.” | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 3 | 6 | ¶7 “Given that tragic geopolitical events in Ukraine, I believe that the auction should have been delayed because of the ripple effect in international markets that almost certainly stymied potential foreign buyers who previously expressed | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |

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| | | an interest in the Property.” | to consider in connection with the pending motion. FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation | |
| 7 | ¶ 8 | “Not only did those events dissuade potential buyers, but they roiled financial markets as well, creating wild currency and market fluctuations, hardly an ideal situation for a high-end real estate sale.” | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. FRE 602 Lack of Personal Knowledge FRE 602 Lack of Foundation FRE 602 Calls for Speculation | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 8 | ¶ 9 | “In 2019, the Property was appraised at \$228 million.” | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 9 | Exhibit A | | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |
| 10 | ¶ 10 | “I understand that the Hankey loan for \$82,500,000 was cross collateralized against other property and approximately \$8 million is sitting in escrow from the | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in | <input type="checkbox"/> Sustained <input type="checkbox"/> Overruled |

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| 1 | | sale of non-Debtor property subject to that cross collateralization.” | issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | |
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| 4 | | | FRE 602 Lack of Personal Knowledge | |
| 5 | | | FRE 602 Lack of Foundation | |
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| 7 | | | FRE 602 Calls for Speculation | |
| 8 | 11 | ¶11 | “According to some documents, it appears that there may have been an interest reserve set up and funded from time to time but, to date, I have been unable to confirm.” | <input type="checkbox"/> Sustained |
| 9 | | | FRE 401 Not Relevant. The Statement is not helpful in determining a fact in issue, is irrelevant, and a waste of time to consider in connection with the pending motion. | <input type="checkbox"/> Overruled |
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| 19 | | | FRE 802 Hearsay Not Subject to Any Exception. If the Declarant is relying on what was told to him by another individual or source to support the factual allegations in the paragraph, his testimony related thereto would be inadmissible hearsay. <i>See Caddie Const. Co., Inc.</i> , 125 B.R. 674, 678 (Bankr. M.D. Fla. 1991). | |
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Dated: March 16, 2022

LEVENE, NEALE, BENDER, YOO
& GOLUBCHIK L.L.P.

By: /s/ Todd M. Arnold
DAVID B. GOLUBCHIK
TODD M. ARNOLD
JONATHAN D. GOTTLIEB
LEVENE, NEALE, BENDER,
YOO & GOLUBCHIK L.L.P.
Attorneys for Crestlloyd, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled **EVIDENTIARY OBJECTIONS TO DECLARATION OF JOSEPH ENGLANOFF IN SUPPORT OF OBJECTION OF "YOGI SECURITIES HOLDINGS, LLC'S MOTION TO APPROVE THE SALE OF THE DEBTOR'S REAL PROPERTY"** be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **March 16, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Kyra E Andrassy kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- Todd M Arnold tma@lnbyg.com
- Jerrold L Bregman jlbregman@bg.law, ecf@bg.law
- Marguerite Lee DeVoll mdevoll@watttieder.com, zabrams@watttieder.com
- Danielle R Gabai dgabai@danninggill.com, dgabai@ecf.courtdrive.com
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- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- United States Trustee (LA) ustregion16.la.ecf@usdoj.gov
- Genevieve G Weiner gweiner@sidley.com, laefilingnotice@sidley.com;genevieve-weiner-0813@ecf.pacerpro.com
- Jessica Wellington jwellington@bg.law, ecf@bg.law

1 **2. SERVED BY UNITED STATES MAIL:** On **March 16, 2022**, I served the following persons and/or
2 entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true
3 and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and
addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be
completed no later than 24 hours after the document is filed.

4 *None.*

5 ☐ *Service information continued on attached page*

6 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**
7 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,
8 on **March 16, 2022**, I served the following persons and/or entities by personal delivery, overnight mail
9 service, or (for those who consented in writing to such service method), by facsimile transmission and/or
email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight
mail to, the judge will be completed no later than 24 hours after the document is filed.

10 *None.*

11 I declare under penalty of perjury under the laws of the United States of America that the foregoing is
12 true and correct.

13 March 16, 2022
Date

Stephanie Reichert
Type Name

/s/ Stephanie Reichert
Signature